

## Abstracts in English

### **István Csillag – Peter Mihalyi: Twenty-one Economic Arguments against an Unconditional Basic Income**

In 2013/14 there has been an intense public debate both in the European Union and in Hungary on the feasibility of Unconditional Basic Income (UBI) support. In the Hungarian context, the publication of a 100-page proposal was an important milestone, in which a group of experts applied the UBI concept to the present circumstances. The study, the brainchild of István Bánfalvi, a distinguished social policy practitioner, proposed the following specific amounts as from January 2015: HUF 25,000 for children ( $\approx$  EUR 83), HUF 50,000 for adults and HUF 75,000 for expectant mothers. The present paper's first objective was to challenge the entire 25-50-75 concept from both theoretical and practical-administrative perspectives. In addition, we tried to show that income poverty in Hungary is much less of a problem than generally presumed. Our final conclusion is that from a poverty alleviation point of view the geographical remobilization of the Hungarian Roma population is by far the most important issue. Roma living in small rural settlements should be assisted to move towards large cities, where the chances of finding work, education and health care are much better.

**Journal of Economic Literature (JEL) classification:** H21, I38, J15

**Keywords:** poverty, Unconditional Basic Income, taxation, Roma problem

### **László Zoltán Kucséber: The Cross-border Mergers' Market and Financial Characteristics from the Perspective of Foreign Direct Investments in Hungary**

One of the methods with which foreign corporations practice direct investment is Cross-Border Mergers and Acquisitions (CBM&A). This can be proved by statistics: globally until the mid 1990s CBM&A accounted for about 50% of total Foreign Direct Investments (FDI) and reached 100% in 2000. This trend was not typical in Hungary. However, it reached 100% in 2009. I have two goals in this study: the first is to analyse how this phenomenon occurred in Hungary. In my study I analyse not only the correlation of CBM&A and FDI, but also foreign portfolio investments. My other goal is to analyse the characteristics of CBM&As from the perspective of FDI. I analysed the 343 decisions made by the Competition Authority. Finally, I compared these results with the features of FDI, which support and complement the results gained through statistical calculations.

**Journal of Economic Literature (JEL) classification:** F21

**Keywords:** mergers, acquisitions, direct investments

### **Ágnes Halász: Political budget cycles: fiscal cycle effects in state expenditures in Poland**

In this paper we aim to investigate what kind of role fiscal cycles played in the development of the state budget balances in Poland between 1989 and 2011. Overall, the results of the latest research have found that political budget cycles (PBC) are more typical in less developed countries with a shorter period of experience with democratic institutions, such as the post-socialist transition economies. Nevertheless, empirical studies point out that this phenomenon has been disappearing over time as voters learn how democratic institutions and political manipulation operate. However, this theory could not be proved by testing the pattern of Poland, neither in the case of budget balances nor for state expenditures. Despite the fact that some fiscal cycle effects were found in public sector wages and pensions in the election period of 1997 and 2001, these proved to be temporary, and simultaneously some other measures were identified that counterbalanced the effects of pork barrel spending. Overall, the cyclical evolution of the budget balances in Poland, particularly in the nineties, was not a result of political budget cycles.

**Journal of Economic Literature (JEL) classifications:** D72, E62, H3

**Keywords:** political budget cycles, state expenditures, new democracy, Poland

### **Tamás László Balogh: Equilibrium analysis of a semi-mixed duopoly – the production-in-advance case**

We investigate a mixed duopoly where, according to the ownership structure, a private firm and a partially public firm are present on the market of a homogeneous good. The private firm is assumed to be a pure profit maximizer, while the other firm maximizes social welfare in proportion to its state-owned shares. We assume that production takes place before sales are realized. After an introduction to some important results in the field of mixed duopolies, we determine the Nash equilibrium prices and quantities for all possible orderings of moves in the framework discussed. We show that a pure Nash equilibrium exists only if certain conditions are satisfied, and illustrate our findings through a numerical example. Furthermore, we determine the equilibrium of the timing game, i.e. we investigate whether a simultaneous or a sequential ordering of decisions would arise on the market, if the ordering of moves was an endogenous variable.

**Journal of Economic Literature (JEL) Classifications:** D43, L13

**Keywords:** Bertrand-Edgeworth, mixed duopoly, timing game

### **Ádám Novotny : The Success and Motivation of Academic Entrepreneurs in Hungary**

This paper presents the results of an empirical study of 80 academic entrepreneurs in Hungary. It aims at analysing the relationship between the motivations for starting a firm and entrepreneurial success. The motivations studied are the prospects of higher income, the need for achievement, the need for independence and the benefits related to research. Success is examined from both objective and subjective perspectives. The indicators of objective

success are the firm's revenue, the change in the revenue, the number of employees and firm age. Subjective success refers to the academic entrepreneur's self-evaluation. According to the findings, the strongest motivation for starting a spin-off firm is financial necessity, i.e. a dissatisfaction with the university salary. Except for financial need, all the motivations included in the study have a significant relationship with subjective success, but a weaker or no relationship with objective success. Research-related benefits, such as moving the research towards development, is a key entrepreneurial motive in the academic sector, as it is positively associated with subjective success, the revenue of the spin-off venture and its growth.

**Journal of Economic Literature (JEL) Classifications:** L26, I23, O32

**Keywords:** academic entrepreneurs, spin-off firms, entrepreneurial motivation, success, higher education

### **Katalin Takácsné György – István Takács: Is the strategic thinking characteristic of SMEs in the North Hungarian Region? – experiences of a survey**

Regional differences can be observed in the economic importance of small and medium sized enterprises. The research covers the small and medium enterprises within the North Hungarian Region, based on a questionnaire carried out in the autumn of 2011. We examine the existence of a conscious strategic vision of the future and their innovative capability. The low economic activity, the low proportion of industrial enterprises, which is below the national average, and low professional skills are typical of the region. Those managers who have a conscious strategy reported above average profitability. We revealed a correlation between the depth of strategy knowledge and the existence of a formalized strategy, paying attention to the role of education and skills. The knowledge and the acceptance of innovational cooperation opportunities (innovational nets) are at a low-level in the region. Besides strategic thinking, one key element for strengthening the sector is continuous renewal, innovation, observing best practice, and imitating it.

**Journal of Economic Literature (JEL) classifications:** D220

**Keywords:** innovation, finance, market, strategy, cooperation

### **Dóra Zolcsák: Political leadership and economic growth: Do the leaders matter?**

The paper analyses the role political leadership plays in economic growth by reviewing the literature that argues for, or presents evidence on, the proposition that leadership and the leader him/herself are crucial factors in economic growth. The article considers institutional economics as a starting point, a field which, so far, has paid little attention to the role of individuals and only focuses on the significance of institutions. The institutional theory of economic development has been criticized for using endogenous indicators and for only emphasising political output. However, political leaders are also able to make good and efficient economic policies. That is the reason leaders do matter

**Journal of Economic Literature (JEL) Classification:** B3, O4, P48

**Keywords:** economic growth, leadership theory, institutional economy, political economy

**Wiese Thomas: A literature review of Happiness and Economics  
and a guide to research required**

Happiness and Economics as a new branch of behavioural economics has had a major impact on economic theory and economic policy: several studies have been published in the last 20 years in leading journals. Furthermore, several governments have decided to collect data about the well-being of their citizens. The author claims that utility cannot only be measured by the choices individuals make: reported happiness and life satisfaction data is also an acceptable empirical estimate for individual utility. Consequently, happiness research can bring new knowledge and an important understanding of human welfare. Therefore, this paper gives an overview of the existing literature. The methods and approaches of scholars are critically analysed and shortcomings are discussed. Thereafter, findings on major economic issues such as growth, unemployment and inflation are presented. In addition, governmental policy and implications for society are debated. Lastly, future research possibilities are mentioned.

**Journal of Economic Literature (JEL) Classification:** D60 D63 I31

**Keywords:** Happiness, Life Satisfaction, Income, Inflation, Unemployment, Trend Growth

**Levente Nádas: Interdependence between government redistribution and  
economic growth in the long run**

The present paper aims to study changes in the degree of government redistribution with an institutional, historical, statistical and model-like approach. I investigate the impact of changes in redistribution on long-term economic growth in 30 European countries. It is generally stated that government spending/GDP ratio has been continuously increasing (in terms of trend) in Europe since the 1870s. I examine how the size of the states affects economic growth, and what other factors influence the long-run relationship between these two variables. My hypothesis is that in developed countries with high government redistribution it has been an impediment to economic growth in the long run. Finally, I illustrate this hypothesis with a statistical analysis of 30 European countries.

**Journal of Economic Literature (JEL) Classification:** E66, H62, C10

**Keywords:** government redistribution, economic growth, public debt

**Sándor Nagy: Features of Knowledge Intensive Business Services  
from Innovation Aspects**

Based on the innovation approach to services this paper defines knowledge intensive business services and gives an overview of their features from innovation perspectives. It finds that different service activities are related to innovation systems to varying extents. Compared to other sectors, services lack stimulative institutional and other formal support systems that may act not only as knowledge centres for companies but could also contribute to both the protection and spread of innovation. In contrast with production, the absence of an efficient protection of intellectual property indicates a significant risk in the service sector, and hinders optimal knowledge transfer and results in waste and duplication in innovation efforts.

**Journal of Economic Literature (JEL) Classification:** O31, O32, L84

**Keywords:** service innovation, knowledge intensive business services, KIBS